



Army to Save \$130 Million/Year For Language Services, Thanks to Lean Six Sigma

*Army to be Reimbursed for Language
Training Provided to Sister Services*

In 1988, the Army was appointed by the Deputy Secretary of Defense to be the Executive Agent of the Defense Foreign Language Institute Center (DFLIC) in Monterey, California, which provides language skills training for armed services and government workers worldwide. After being given responsibility for DFLIC, the Army began funding the training costs of the entire school, including for sister services and non-military personnel. Until the year 2000, the Army had comprised roughly 80% of the DFLIC student body; however, by 2005 the numbers had reversed – approximately 20% of students were Soldiers. Thus, it cost the Army about \$143.6 million to train non-Army personnel.

Dennis Kirk is a Lean Six Sigma (LSS)-trained Green Belt who is also Associate General Counsel for Strategic Integration/Business Transformation at the Army Office of General Counsel. After months of trying to rectify the problem by finding a way to reduce the school's operating costs, Kirk organized an LSS "RIE" – Rapid Improvement Event – to find the best way for the Army to cover its costs.

A team coordinated by Kirk conducted an analysis to determine how money was being spent. In addition, Kirk conferred with the Department of Defense (DoD) regarding possible methods of reimbursement. This process opened up the lines of communication between the school's participants, and empowered the Army to contain its costs. As Dennis Kirk states: "the Army never got to sit at the table and had never been a decision factor...now the Army is able to contribute, it's able to negotiate toward achievements that will help the bottom line for customer satisfaction..."

These efforts, including the RIE and LSS techniques for cost analysis, led to a significant change: the sister services and other organizations would pay for their attendance at DFLIC, or the DoD would provide budget dollars to the Army to pay these costs.

This modification requires the DoD, Air Force, Navy, and Marines and other organizations to budget accordingly if they intend to send students to DFLIC, just like the Army has been doing. The results are estimated to save the Army a projected net of about \$130.5 million for FY08, and a projected \$133.5 million in FY09. Cumulative cost savings of approximately \$400 million will be reached by 2010.